



OFFICE OF RETIREMENT SERVICES

Serving the Customers of the Judges, Public School Employees,

State Employees, and State Police Retirement Systems

PO Box 30171, Lansing, MI 48909-7671 www.michigan.gov/ors

Telephone: 517-322-5103 Outside Lansing: 800-381-5111

Public School Employees Insurance Information

ELIGIBILITY FOR COVERAGE

The Retirement System makes available health, dental, and vision benefits to all individuals who receive a pension. Blue Cross/Blue Shield of Michigan is the primary administrator for health coverage; Delta Dental (DD Group #3250) administers dental coverage; and Vision Service Plan (VSP) administers vision coverage. Your retirement application packet includes booklets describing your plan benefits. To enroll, you must complete the *Group Insurance Application*, form R365C.

As an alternative health care option, there are several Health Maintenance Organizations available throughout the State of Michigan. Refer to *Your HMO Pilot Program Option*, form R379C, in your retirement packet for further details on this option. To enroll in any of the available HMOs, you must contact the appropriate HMO directly for an application to complete and return to the Office of Retirement Services (ORS) with your retirement application.

EFFECTIVE DATE OF COVERAGE AT THE TIME OF RETIREMENT

Your coverage begins on the first day of the month after the Retirement System receives your completed application. Coverage always begins on the first day of a calendar month. You can begin your coverage on your retirement effective date or a later date. You should check with your school employer to determine when your present insurance(s) will terminate to be certain of continued coverage and prevent duplication of coverage. **Determining the correct effective date is very important and is your responsibility. Premium refunds cannot be made.**

HEALTH, DENTAL & VISION INSURANCE IDENTIFICATION CARDS

In most cases you should receive your insurance identification (ID) card(s) and materials within two weeks of your insurance effective date. A separate ID card is issued for each type of insurance coverage in which you have enrolled.

If you incur expenses for services prior to receiving your ID card, you should obtain itemized statements from the provider. You can submit these to the insurance carrier after your ID card arrives. If you require hospitalization, the hospital can obtain verification of coverage by calling the Office of Retirement Services (ORS) at 800-381-5111 during normal business hours.

ENROLLMENT AFTER RETIREMENT

If you choose not to enroll for health and/or dental/vision benefits at the time of retirement, you may enroll at any time with coverage to be effective six months following the receipt of your completed application by ORS. Coverage is always effective the first of the month.

The Retirement System can waive the six-month waiting period if your request for enrollment is due to an involuntary loss of coverage in another group plan. For the Retirement System to waive the six-month waiting period, **you must submit your application with a letter from the employer explaining who was covered, why eligibility in the other plan is ending, and the date that coverage ends.** An exception can also be made for adding a new spouse within 30 days of the marriage. Required documentation includes a copy of the marriage license and a letter of notification that includes your new spouse's name, date of birth, social security number, and Medicare information. In the case of all waivers, coverage will become effective the first of the month following receipt of all required documents and the signed application.

Waiver of the six-month waiting period will occur only if the Office of Retirement Services (ORS) receives written notification within 30 days of the qualifying event.

SURVIVOR COVERAGE

Your beneficiary may continue medical, dental and vision coverage after your death only if you choose a survivor option (100% Survivor, 100% Equated, 75% Survivor, 75% Equated, 50% Survivor or 50% Equated) that provides a survivor pension. Please refer to the *Retirement Guidelines*, Pension Payment Options section for more detailed information.

If you elect either Straight Life or Straight Life Equated, which do not provide a monthly pension to a beneficiary, your enrolled dependents will **not** be able to continue subsidized group coverage after your death. However, your enrolled dependents may be eligible for continuation of unsubsidized insurance coverage for a maximum period of 36 months. Refer to the *Retirement Guidelines*, Insurance Information: Continuation of Coverage section.

ELIGIBLE DEPENDENTS

Eligible dependents for health, dental, and vision insurance plans include the following:

- Your spouse. If he or she is an eligible public school retiree, you will be covered together on one contract.
- Your unmarried child by birth, legal adoption, or legal guardianship through December 31 of the year in which he or she turns age 19.
- Your unmarried child by birth, legal adoption, or legal guardianship from age 19 through December 31 of the year in which he or she reaches age 25 if a full-time student and dependent on you for support.
- Your unmarried child by birth, legal adoption, or legal guardianship age 19 or older who is physically or mentally disabled, dependent on you for support, and unable to sustain employment.
- Your parent or parent-in-law residing in your household.

Grandchildren and stepchildren are not eligible insurance dependents. Only your children by birth, legal adoption, or legal guardianship can be included in your insurance coverage.

Coverage for your eligible dependents will be the same as yours.

PROOFS You must provide proof of eligibility for your enrolled dependents. *To prove age*, provide a copy of the birth certificate. *To prove dependency*, provide your most recent 1040 tax form listing the dependent. *To prove legal guardianship*, provide legal guardianship papers issued by a court. *To prove school attendance*, provide a current student transcript or tuition receipt showing he or she meets the school's standards for full-time attendance. *To prove disability*, provide a statement from the attending physician that the child is disabled and incapable of self-sustaining employment. The signed certification must be on the physician's letterhead and dated within the last six months.

You are responsible for immediately notifying the Retirement System of any change in your status or that of your dependents. If the Retirement System pays claims for an ineligible person, the Retirement System will adjust your pension accordingly.

COORDINATION OF BENEFITS The health, dental and vision plans contain a Coordination of Benefits (COB) provision that applies when you or your enrolled dependents are covered under more than one group plan. The combined payments of all plans will not exceed the allowable expenses of your care or services. If both you and your spouse are retirees within the same group plan, there will be no advantage for duplicating coverage because COB will not apply.

MEDICARE

At age 65 or sooner, if eligible, you **must** enroll in Medicare health insurance (both hospital — Part A, and medical — Part B) through the Social Security Administration to maintain maximum benefit coverage. The health coverage the Retirement System provides adjusts automatically to supplement Medicare coverage at age 65. From that point on, the Retirement System no longer covers your expenses Medicare normally covers.

Persons under age 65 receiving a social security disability pension become eligible for Medicare after receiving 24 months of disability benefits. If you become eligible before age 65, send ORS a copy of the Medicare card. The health care coverage the Retirement System provides will be adjusted to supplement Medicare — both hospital (Part A), and medical (Part B), or accommodate a Medicare+Choice Plan.

In order to be eligible for prescription drug coverage through the Michigan Public School Employees Retirement Systems health plan the system must be able to enroll you in Medicare Part D. Be sure your insurance carrier (Blue Cross/Blue Shield or your HMO) knows your Medicare number. The carrier will automatically enroll you in Medicare Part D.

DEFERRED APPLICANTS ONLY

A deferred member is an individual who:

1. Terminated public school employment with at least ten years of credited service,
2. Left personal retirement contributions on deposit, and
3. **Did not meet the minimum age requirement for a regular retirement benefit at the time of termination.** With timely application, the deferred member can begin receiving retirement benefits **upon fulfillment of the age requirement.**

Although all pension recipients are eligible for health, dental/vision, or hearing aid benefits, the amount of premium subsidy for deferred members depends on the date employment ended.

Deferred members who terminated public school employment prior to October 31, 1980, and who are eligible to receive a deferred pension, are eligible for the full subsidy.

Deferred members who terminated public school employment **on or after October 31, 1980**, with a minimum of 21 years of credited service and who are eligible to receive a deferred pension will be entitled to 10% of the health insurance subsidy. The subsidy increases by 10% for each full year of credited service obtained beyond 20 years, up to a maximum of 100%.

Members eligible for deferred benefits with less than 21 years of credited service may enroll for health and/or dental/vision benefits, but must pay the full premium. Full or partial coverage for hearing aids is only available if you participate in this Retirement System's insurance plan(s). Contact the Office of Retirement Services to determine what hearing aid coverage you may have, if any.

NOTE: If your pension is effective the month immediately following your termination of regular employment, you ARE NOT a deferred member and will be entitled to the full subsidy.

DISABILITY APPLICANTS ONLY

Applicants for a disability pension are not ensured of pension or insurance coverage until the application has been presented to and approved by the Retirement System Board. Upon the Board's approval of the retirement application, health and/or dental/vision benefits can be retroactive to the effective date of the pension providing the Retirement System receives an *Application for Disability Retirement* prior to that date. You may wish, however, to continue your present insurance to ensure continued coverage. If you continue with your present coverage, you should indicate on the *Group Insurance Application*, form R365C, that you would like coverage through the Retirement System to begin the first day of the month following the Retirement System's Board approval of your retirement application.

HEARING AID CLAIMS FOR INDIVIDUALS NOT ENROLLED IN THE HEALTH PLAN

The Retirement System processes hearing aid claims for pension recipients (excluding deferred retirees) and eligible dependents *not* enrolled in the health care plan. ***Coverage is for one claim every 36 months, regardless of whether one or two hearing aids were purchased.*** Reimbursement will be **90% of the lesser** of the provider charges or the approved amount as determined by Blue Cross/Blue Shield, except for deferred retirees (see page 3). **NOTE: Exams and tests are not covered.**

USE THE FOLLOWING PROCEDURE TO PROCESS YOUR CLAIM:

Purchase the hearing aid(s) from a provider who accepts Blue Cross/Blue Shield level of payment to ensure that your out-of-pocket cost will not exceed the 10% co-pay.*

**If you purchase a hearing aid(s) from a non-approved provider, the Retirement System pays 90% of the usual, customary, reasonable cost; you will be responsible for any additional cost.*

Call Blue Cross/Blue Shield at 1-800-422-9146 for information on approved providers in Michigan and other states.

Ask your provider to submit the claim on a Blue Cross/Blue Shield Hearing Aid Claim form containing the following information:

- a. Name and address of the provider
- b. Dealer federal tax identification number
- c. Total charge
- d. Dealer acquisition cost
- e. Description of hearing aid(s)
- f. Date of service (dispensing date)
- g. Name of person for whom the hearing aid(s) was prescribed
- h. His/her date of birth
- i. Relationship of the person to the pension recipient
- j. Social security number of the pension recipient

Mail your claim/bill to: **Office of Retirement Services**
 ATTN.: Hearing Aid Department
 P. O. Box 30171
 Lansing, MI 48909-7671

If you are enrolled in the health plan, BCBSM or your Health Maintenance Organization process your hearing aid claims. Please contact them directly.